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C O N F I D E N T I A L SECTION 01 OF 04 KUWAIT 000326

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TAGS: [PTER](#) [PREL](#) [EFIN](#) [ETTC](#) [PGOV](#) [EAID](#) [EPET](#) [KISL](#) [KWMN](#) [KU](#)  
SUBJECT: ISLAMIST MP TALKS ABOUT TERRORISM, IRAQI DEBT,  
KUWAIT PROJECT, WOMEN'S RIGHTS

REF: A. KUWAIT 264

[B](#). 04 KUWAIT 494

[C](#). 04 KUWAIT 91 (STADIS)

[D](#). 03 KUWAIT 5188

[E](#). 03 KUWAIT 4840

[F](#). 03 KUWAIT 3044

[1](#). (C) SUMMARY. During a January 16 call on influential Islamist Member of Parliament (MP) Dr. Nasser Al-Sane, the Ambassador discussed a wide range topics, including terrorist finance, cancellation of Iraq's debt to Kuwait, the Kuwait Project to develop the northern oilfields, and political rights for women. Al-Sane condemned the January 10 and 15 shoot-outs between terrorists and security forces, saying that the ICM is squarely opposed to such acts (ref A). But he expressed concern that not all Islamist be "pigeonholed as extremists." Al-Sane complained to the Ambassador about a long-running dispute that he has had with the Treasury Department's Office of Foreign Assets Control (OFAC), saying he was still awaiting data promised to him by the former director. The Ambassador pointed out that Kuwait's terrorist finance laws were not sufficiently strong and some banking laws need refinement, especially with regard to the Financial Intelligence Unit. Concerning reducing Iraqi debt, Al-Sane said he did not see serious opposition in the National Assembly if the reductions are justified in terms of Paris Club actions.

[2](#). (C) On the Kuwait Project (a major pending effort to revitalize Kuwait's northern oilfields using foreign operating companies), Al-Sane said that he still has concerns about the project's constitutionality and transparency. According to him, the government has made a number of missteps that have turned MPs in his movement against the project in the past. Still, Al-Sane has been impressed by the lobbying carried out by Kuwait Project Director Ahmed Al-Arbeed, (himself an ICM member), and he conceded that the Kuwait Project would likely be approved, albeit with "a lot of noise." Al-Sane was highly critical of the current cabinet, saying that Prime Minister Shaykh Sabah seemed "like a person without a team," and he worried that the Prime Minister does not have a clear vision and plan for the country's future, nor the proper people around him to implement one. Finally, the Ambassador asked about the status of legislation to grant women political rights. Al-Sane, who supports women's rights, said the government would like to resolve women's political rights during the current session. According to him, there is much more pressure now for granting women's rights, including from foreign governments, than there was when it was debated before. In addition, local activists are becoming more professional, favoring dialogue to convince others to support women's rights. END SUMMARY.

[3](#). (C) During a January 16 courtesy call on Islamist Member of Parliament (MP) Dr. Nasser Al-Sane, the Ambassador discussed a wide range of topics, including terrorist finance, cancellation of Iraq's debt to Kuwait, the Kuwait Project, and political rights for women. Al-Sane, a prominent member of the Islamic Constitutional Movement (the political arm of the Kuwaiti Muslim Brotherhood) and the Islamist Social Reform Society (SRS), is an influential Islamist within the National Assembly and is more moderate than others in the Salafist movements.

Terrorism in Kuwait

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[4](#). (C) Al-Sane condemned the January 10 and 15 shoot-outs between terrorists and security forces, saying that the ICM is squarely opposed to such acts (ref A). But he expressed concern that not all Islamists be "pigeonholed as extremists," citing the case of ICM member Tariq Swaidan (also spelled Suwaidan), a Kuwaiti who was an officer with the Washington, DC and Virginia branches of the International Islamic Relief Organization (IIRO). Swaidan has been named as a defendant in the lawsuit filed by 9/11 victims, families against a variety of charities and foreign nationals (although neither Swaidan nor IIRO has been formally designated by the USG or the UN). Al-Sane argued that Swaidan is very influential in the region and is "just the kind of person who we need at this time:" a moderate who supports women's rights, freedom of speech, and dialogue among religions. He added that moderates like Swaidan should be protected, not shunned.

15. (C) Al-Sane complained to the Ambassador about a long-running dispute that he has had with the Treasury Department's Office of Foreign Assets Control (OFAC). Al-Sane, whose Social Reform Society (SRS) was the parent organization for Lajnat al-Da wa al-Islamiyya (LDI), a charity designated by the U.S. and the UN as a supporter of terrorism, has been trying to convince OFAC to delist LDI for eighteen months. As part of this effort, Al-Sane has sought financial data that reportedly shows transactions made by SRS on behalf of LDI after the latter's designation. After a meeting with Al-Sane in October 2003, former OFAC Director Richard Newcomb promised to provide these data to the MP, but later discovered that a confidentiality agreement with the source of the transaction data precluded sharing them (refs B-F).

16. (C) Al-Sane said he met with Newcomb most recently in the spring of 2004 when, he alleged, Newcomb told him that they needed to "turn a new page" on the topic. Newcomb told him that he could not release the transaction data, but allegedly agreed that he could give Al-Sane a "hint" about the transactions, like the dates of the transfers, so that SRS could clarify. Al-Sane further claimed that Newcomb said he would send someone to Kuwait with all the information that Al-Sane needed. However, no one ever came.

17. (C) Al-Sane also expressed his displeasure with statements attributed to Newcomb in a January 15 Kuwaiti newspaper article, which quoted an unnamed "high-ranking official" as saying that Newcomb believed he had received poor responses from Kuwait about charities and charitable donations. (NOTE. The relevant portion of the article said that "A high-ranking official told Al-Qabas that the former director of the Office of Foreign Assets Control at the U.S. Treasury, Richard Newcomb, who had visited Kuwait three times and discussed the fate of (charitable) donations with the government, told him that the government and Islamic charitable organizations were not cooperating on this issue. The official quoted Newcomb: 'I am greatly disappointed; no one has given us what we had requested. We are aware that charitable organizations have committees, and no one knows how much money these committees collect, and no one knows where this money goes.'") Al-Sane contended that when he met with Newcomb in 2004, "his story was different," and he hoped that this was an old quote.

18. (C) The Ambassador noted that for its part, the Embassy has had difficulties getting the GOK to do something about Kuwaitis financing terrorist attacks on U.S. soldiers in Iraq, and pointed out that Kuwait's terrorist finance laws were not sufficiently strong. He also noted that some of Kuwait's banking laws need refinement, specifically citing the provision that prohibits Kuwait's Financial Intelligence Unit (FIU) from sharing information without the Public Prosecutor's Office's pre-approval, thereby disabling the FIU as an independent, quick-acting entity.

#### Iraqi Debt

19. (C) The Ambassador asked for Al-Sane's help as a member of the Economic and Finance Committee with Iraqi debt forgiveness (the committee will have to review any government recommendation on debt reduction). While acknowledging that debt relief for Iraq raises emotional issues for Kuwait, the Ambassador noted its importance to the Iraqi people and to the U.S.-Kuwaiti relationship. Al-Sane replied that he did not see serious opposition in the National Assembly to Iraqi debt forgiveness if it was in line with Paris Club reductions and could be framed as Kuwait fulfilling its obligations as a member of the international community. He added that he had made a public statement on Al Jazeera in support of reducing Iraq's debt. Al-Sane also suggested that the GOK consider reducing Kuwaitis' personal debts if it is going to reduce Iraq's debts (he cited the Ministry of Energy's plans to collect residents' outstanding water and electricity bills, some of which are 14 years delinquent). When pressed, he admitted that the government's failure to offer Kuwaitis leniency would not be a deal-breaker.

#### Kuwait Project

110. (C) On the Kuwait Project, which would open up the northern oilfields to foreign investors, Al-Sane said that he still has concerns about the project's constitutionality and, more important, its transparency (Al-Sane is the vice chair of the Global Organization of Parliamentarians against Corruption, or GOPAC). He noted that the government had only last week given the parliament documents on the Kuwait Project that the National Assembly had been requesting since 1998. Because the GOK has always kept the project "hidden and

not transparent," the ICM has opposed it, he said.

11. (C) According to Al-Sane, the government has made a number of missteps. First, the cabinet has been inconsistent about whether or not it would consult with the parliament before bidding out the project. (NOTE. Since Kuwait's constitution stipulates that its natural resources belong to the people -- and not the state -- there is widespread debate about whether opening up Kuwait's fields to foreign investors would violate the constitution. To circumvent the constitutional question, the government considered framing the Kuwait Project as a pure services contract that would not cede ownership of the oil, and would therefore not require parliamentary approval. END NOTE.)

12. (C) Al-Sane said that the Prime Minister spoke privately with the parliament at the beginning of the current session and said that the government did not need to bring the project before the National Assembly, but that the government might keep them informed as a courtesy. "We did not like that language," Al-Sane added. By contrast, Al-Sane reported, Energy Minister Shaykh Ahmed Al-Fahad Al-Sabah delivered a different message, saying that the government would never proceed without the National Assembly's involvement and that he personally did not want to be known as the minister who gave away Kuwait's resources. One week later, however, Shaykh Ahmad went to the press to present the same argument as the Prime Minister.

13. (C) Second, Al-Sane has concerns about alleged backroom deal-making by former Energy Minister Shaykh Saud Nasser Al-Sabah with foreign oil companies and the latter's failure to clear the record. Nevertheless, Al-Sane said that he has been impressed by the lobbying carried out by Kuwait Project Director Ahmed Al-Arbeed, (himself an ICM member), and his efforts to outline the project's technical, legal and financial merits. The Ambassador replied that he had spent some time with Al-Arbeed, and believed Al-Arbeed understood the need for transparency. The Ambassador added that he hoped the project's past history would not unduly bias MPs against it. Al-Sane conceded that the Kuwait Project would likely be approved, but that there would be "a lot of noise." He also suggested that the government begin actively campaigning on the project's behalf, both with the National Assembly and through the media.

Shaykh Sabah: "Like a Person without a Team"

14. (C) Al-Sane was highly critical of the current cabinet, saying that Prime Minister Shaykh Sabah seemed "like a person without a team." At the same time, he commented, ministers are frustrated because the Prime Minister is not backing them on issues that might be controversial, but in which the Prime Minister says he believes. As an example, Al-Sane spoke about the former housing minister, who he said did a good job of fighting corruption but had to resign because of the unpopularity of his actions. Although the Prime Minister said he supports rooting out corruption, he replaced the housing minister with someone "who gets all smiles," Al-Sane said.

15. (C) Al-Sane said he was also worried that the Prime Minister does not have a clear vision and plan for the country's future, noting that several long-term programs -- all of which differ from one another -- have been proposed. He contended that the government has a majority in Parliament, and therefore has the opportunity to pass legislation to promote its vision. "He will never get a better Parliament than this one," Al-Sane asserted. However, he added, the government is not using its majority every time. Rather, when it is uncertain how the public will react to certain initiatives, the government is not pushing its agenda and is instead "burning" MPs who champion these initiatives.

Women's Rights

16. (C) The Ambassador concluded by asking about the status of legislation to promote women's rights. Al-Sane said that the ICM's new secretary-general supports women's political rights (as does Al-Sane), and has asked the ICM to reconsider its position opposing women's right to run for office. The secretary-general's position has been opposed by the ICM's

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general assembly (most of whose members do not favor women's political rights), but the shura majlis (consultative council) -- which may overrule the general assembly -- has yet to meet about this issue. On a less encouraging note, he said that the secretary general makes it a practice not to lobby on behalf of his positions.

17. (C) The Ambassador inquired when the issue of women's political rights would come up in the National Assembly.

Al-Sane replied that the Prime Minister told him that that the government would like to resolve women's political rights during the current session. Al-Sane added that if the government would like to move more quickly, they must simply declare this to be an urgent issue, which would force the National Assembly to set a date for debate. According to Al-Sane, there is much more pressure now for granting women's rights, including from foreign governments, than there was when it was debated before. "All (diplomatic) missions in Kuwait are pressing" the Kuwaitis for change, he noted, both in Kuwait and through Kuwait's embassies abroad.

18. (C) In addition, Al-Sane observed, local activists are becoming more professional, favoring dialogue to convince others to support women's rights. Al-Sane said that a "great majority" of ICM's women members are for women's political rights, and the ICM has started including them in the "men's meetings" (albeit separated by a barrier); previously, the women met separately.

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